



News Release

Major Natural Gas Storage Expansion Will Help Meet Winter Needs of Growing Northwest Region

BELLEVUE, Wash.--(BUSINESS WIRE)--April 10, 2008--Utilities in the Pacific Northwest will have greater assurance of meeting customers' rising wintertime peaks in natural gas use because of a major expansion project underway at the Northwest's largest underground natural gas storage reservoir, operated by Puget Sound Energy in Washington state.

On March 30, 2008, PSE crews finished drilling the last of 10 wells - completing an expansion project phase that began in June 2007, at the Jackson Prairie Natural Gas Storage Facility in Lewis County. Ongoing work has now shifted to installing new piping and compressors to inject and withdraw natural gas stored underground.

Scheduled for completion in November 2008, the \$42 million project will boost the reservoir's natural gas withdrawal capability by 35 percent - from 850 million cubic feet of natural gas per day to 1.15 billion cubic feet per day.

"Expanding Jackson Prairie will ensure that our growing customer base will have reliable service on even the coldest winter days," said Kimberly Harris, executive vice president and chief resource officer at PSE. "The existing natural gas transportation system, on its own, simply can't deliver enough natural gas from Canada and the Rockies to meet our growing region's peak wintertime daily demands. We'll be able to store and withdraw significantly more natural gas to supplement the regional pipeline system and keep people's homes warm."

After the expansion, Jackson Prairie will be capable of satisfying the natural gas requirements of approximately 1.2 million households on the most frigid, midwinter days - or more than one-fourth of the Northwest's total peak demand. The expansion project will increase, by 10 percent, the total amount of natural gas available on a peak day - both from natural gas transportation pipelines and from storage - to the region's utilities.

Developed in the early 1960s, Jackson Prairie currently can store and redeliver 24 billion cubic feet of natural gas. PSE, which owns the 3,200-acre reservoir jointly with Avista Corp. and the Williams Companies, Inc., has been steadily increasing the facility's storage capacity over the past several years. The goal is to reach 30 billion cubic feet of working storage capacity by 2012.

Harris noted that Jackson Prairie not only is instrumental in maintaining the wintertime reliability of the region's natural gas system, but it also stabilizes the price of natural gas for consumers. PSE is able to buy natural gas supply in the summer, when prices tend to be lower, and store it at Jackson Prairie to serve homes and businesses in the winter, when wholesale prices usually run higher.

About Puget Sound Energy

Washington state's oldest and largest energy utility, with a 6,000-square-mile service area stretching across 11 counties, Puget Sound Energy (PSE) serves more than 1 million electric customers and 729,000 natural gas customers. PSE, a subsidiary of Puget Energy (NYSE:PSD), meets the energy needs of its growing customer base primarily in Western Washington through incremental, cost-effective energy conservation, procurement of sustainable energy resources, and far-sighted investment in the energy-delivery infrastructure. PSE employees are dedicated to providing great customer service to deliver energy that is safe, reliable, reasonably priced, and environmentally responsible. For more information, visit www.PSE.com.

CONTACT: Puget Sound Energy
Davina Gruenstein, 1-888-831-7250

SOURCE: Puget Sound Energy